

Message Text

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PAGE 01 JIDDA 06307 01 OF 02 121517Z
ACTION NODS-00

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R 121337Z SEP 77 ZFF4
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC 9583

S E C R E T R E T SECTION 1 OF 2 JIDDA 6307

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E.O. 11652: XGDS-1
TAGS: PFOR, ENRG, SA
SUBJECT: CONVERSATION WITH ZAKI YAMANI

1. DURING MY SEPTEMBER 9, 1977, VISIT TO THE HOME OF ZAKI YAMANI IN TAIF, THE FOLLOWING CONVERSATION TOOK PLACE BETWEEN YAMANI AND MYSELF AT HIS POOL IN WHAT WAS A MOST RELAXED SITUATION.

2. YAMANI STARTED OUT BY OBSERVING THAT HE WAS TERRIBLY DISCOURAGED AT THE FAILURE OF THE PEACE NEGOTIATIONS TO MOVE FORWARD AND THAT THE PRESENT STALEMATE, WHICH HE ATTRIBUTED LARGELY TO BEGIN'S STUBBORNESS AND ATTITUDE, HAS CAUSED HIM TO BECOME A PESSIMIST. AS HE PUT IT, THE FUTURE LOOKS VERY, VERY DARK.

3. HE STATED THAT PRESIDENT SADAT CANNOT SURVIVE IN EGYPT UNLESS THERE IS NOTICEABLE PROGRESS TO PEACE IN THE IMMEDIATE FUTURE; THAT HIS POSITION THERE IS TENUOUS AT BEST, AND THAT RADICAL ELEMENTS ARE CREATING AN OPPORTUNITY TO OVERTHROW HIM. HE SAID THAT ONCE THE RADICAL ELEMENTS COME BACK INTO THE PICTURE IN EGYPT, THE UNITED STATES AND SAUDI ARABIA WILL HAVE LOST ALL THAT THEY HAVE GAINED. HE IS CONVINCED THAT THE RUSSIANS WILL MOVE IN AND CONSOLIDATE THEIR POSITION IN EGYPT WITHOUT DELAY AS SOON AS SADAT IS
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PAGE 02 JIDDA 06307 01 OF 02 121517Z

UNSEATED.

4. YAMANI THEN MADE THE INTERESTING OBSERVATION THAT UPON SADAT'S FALL, ASAD WOULD EITHER BE OVERTHROWN OR WOULD BECOME RADICAL AGAIN. HE SAID ASAD HAD GONE ALONG WITH THE MODERATE LEADERSHIP RELUCTANTLY AND WITH MANY RESERVATIONS, SO IT WOULD REQUIRE NO GREAT EFFORT ON HIS PART

TO OUT-QUADDAFI QUADDAFI. YAMANI THEN CONCLUDED THAT UPON THE HAPPENING OF EHESE TWO EVENTS, WHICH HE SEEMED TO THINK WERE INEVITABLE, THE SUDAN WOULD IN TURN FALL COMPLETELY UNDER THE RUSSIAN INFLUENCE. IF THAT HAPPENS, HE SAID, DESPITE SAUDI ARABIA'S FINANCIAL WEALTH AND ASSISTANCE, THERE IS NO BASIS ON WHICH PEACE CAN BE CONSTRUCTED. ISRAEL IS EITHER IN LEAGUE WITH THE COMMUNISTS OR IS UNWITTINGLY PLAYING THEIR GAME, BECAUSE THE INEVITABLE RESULT OF NO PEACE WILL BE SAUDI ARABIA STANDING VIRTUALLY ALONE IN THE ARABIAN GULF SURROUNDED BY UNFRIENDLY FORCES, INCLUDING IRAQ, AN EVER PRESENT DANGER.

5. WHEN I ASKED WHAT EFFECT THESE EVENTS WOULD HAVE UPON THE UNITED STATES AND ON ITS RELATIONSHIP WITH SAUDI ARABIA, HE SHOOK HIS HEAD AND REPLIED AS FOLLOWS: QUOTE PRINCE FAHD CAN'T TELL YOU AND PRINCE SAUD WON'T TELL YOU, BUT I CAN TELL YOU UNOFFICIALLY AS YOUR FRIEND AND AS A FRIEND OF THE UNITED STATES THAT THERE IS NO POSSIBILITY OF MAINTAINING OUR RELATIONSHIP IN THE EVENT THESE THINGS HAPPEN. I AM KNOWN AS A FRIEND OF THE AMERICANS, AND I DO NOT DENY THAT PART OF MY FRIENDSHIP IS BASED UPON WHAT I PERCEIVE TO BE THE BEST INTERESTS OF SAUDI ARABIA, AND I AM A SAUDI FIRST, LAST, AND FOREMOST. I DO NOT THINK THAT SAUDI ARABIA CAN SURVIVE AS AN ISLAND OF ISLAM AND A SYMBOL OF THE FREE ENTERPRISE SYSTEM SURROUNDED BY THE HOSTILE ENVIRONMENT WHICH WILL
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SECRET

PAGE 03 JIDDA 06307 01 OF 02 121517Z

INEVITABLY COME ABOUT IF WE DO NOT OBTAIN PEACE. I AM DEATHLY AFRAID OF COMMUNISM AND ALL IT STANDS FOR, FOR IT WOULD DESTROY MY COUNTRY AND MY RELIGION. END QUOTE.

6. YAMANI ALSO SAID THAT HE WAS DISCOURAGED BY THE FAILURES OF THE PLO TO LIVE UP TO THEIR COMMITMENT TO ACCEPT 242 WITH CERTAIN RESERVATIONS. HE SAID THAT BASED ON THE CONVERSATIONS WITH PLO, THE SAUDIS HAD A COMMITMENT JUST PRIOR TO VANCE'S VISIT AND EVEN HAD IT IN WRITING FROM ARAFAT'S DEPUTY. HOWEVER, THE RADICAL SOURCES WITHIN THE PLO AND WITHIN THE OTHER ARAB COUNTRIES SUCCEEDED IN PRESSURING ARAFAT TO RENEGE ON HIS COMMITMENT WITH RESPECT TO 242. HE SAID THAT ARAFAT WAS MOST APOLOGETIC BUT COULD NOT CONTROL THE PLO AS THE SAUDIS THOUGHT HE COULD. THE SAUDIS BELIEVED THAT THE FINANCIAL SUPPORT THEY GIVE TO THE PLO WOULD GIVE THEM MORE INFLUENCE. YAMANI SAID THAT THIS DEVELOPMENT FURTHER STRENGTHENED HIS BELIEF THAT THE SAUDI MODERATING INFLUENCE WOULD BE DIMINISHED OR ELIMINATED IN THE EVENT RADICAL REGIMES TOOK POWER IN THE OTHER ARAB COUNTRIES NO MATTER WHAT FINANCIAL ASSISTANCE WAS PROVIDED TO THEM.

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PAGE 01 JIDDA 06307 02 OF 02 121558Z
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S E C R E T SECTION 2 OF 2 JIDDA 6307

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7. YAMANI POINTED OUT THE TERRIBLY DIFFICULT SECURITY PROBLEM WITH THE OIL REFINERY. I MENTIONED HIS CONVERSATION WITH JAVITS DURING WHICH YAMANI HAD DESCRIBED THE DISASTROUS CONSEQUENCES IF THE FIRE HAD BEEN JUST A FEW METERS FURTHER DOWN THE PIPELINE. YAMANI TOLD ME THAT THIS WOULD HAVE DESTROYED THE GAS SEPARATION EQUIPMENT, WHICH TAKES TWO OR THREE YEARS TO MANUFACTURE, AND WOULD HAVE RESULTED IN A REDUCTION BY ABOUT 4 OR 5 MILLION BARRELS A DAY FOR AN EXTENDED PERIOD. WHEN I ASKED WHAT EFFECT THIS WOULD HAVE ON WORLD PRICES, YAMANI SAID THAT IN ONE QUARTER OF LAST YEAR WHEN THERE WAS A TEMPORARY SHORTAGE OF LIGHT CRUDE, THE PRICE WENT UP 5 PERCENT ON THE WORLD MARKETS. YAMANI ADDED THAT THE ONLY REASON PRICES HAD BEEN HELD TO THIS PRESENT LEVEL WAS THE SAUDIS' CAPACITY TO INCREASE THEIR PRODUCTION. HE SAID THAT A REDUCTION OF A MILLION BARRELS PER DAY WOULD HAVE A SIGNIFICANT EFFECT ON THE SUPPLY AND DEMAND BALANCE AND, IF THERE WERE A REDUCTION OF 5 MILLION, THE PRICE CONSEQUENCES WOULD BE SUBSTANTIAL. YAMANI ALSO MENTIONED AN ADDITIONAL POSSIBILITY WHICH HE FELT MIGHT HAPPEN. THE ALGERIANS OR THE LIBYANS COULD CREATE AN ADDITIONAL SHORTAGE IN ORDER TO RAISE THE PRICE. HE SAID THAT THEY COULD REDUCE THEIR PRODUCTION A MILLION BARRELS A DAY AND THE INCREASED PRICE WHICH THEY COULD THEN DEMAND MIGHT BRING THEM THE SAME OR EVEN ADDITIONAL NET

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PAGE 02 JIDDA 06307 02 OF 02 121558Z

REVENUES.

8. COMMENT: THE EVENTS OF THE LAST SEVERAL DAYS INDICATE CLEARLY TO ME THAT THE SAUDI GOVERNMENT IS SENDING AN URGENT MESSAGE TO THE UNITED STATES THAT THE TIME IS RUNNING OUT. THE SAUDIS ARE ASKING FOR SOME VISIBLE STEPS THAT WILL KEEP THE PEACE MOMENTUM GOING. THEY ARE AFRAID THAT OUR FAILURE TO DO SO WOULD BE DISASTROUS FOR BOTH OF US. THE FIVE EVENTS WHICH LEAD ME TO THE CONCLUSION THAT AN ATTEMPT IS BEING MADE TO SEND THIS MESSAGE ARE:

1) THE TWO EDITORIALS (JIDDA 6197 AND JIDDA 6243) SAYING EXACTLY THAT WHICH APPEARED IN THE ARAB NEWS ON SEPT. 7 AND 8. (THE ARAB NEWS IS, OF COURSE, A GOVERNMENT SUBSIDIZED PAPER AND REPUTEDLY IS CONTROLLED BY KAMAL ADHAM, THE LATE KING FAISAL'S BROTHER-IN-LAW, AND STILL A POWERFUL INFLUENCE IN THE INNER CIRCLE OF SAG. ITS EDITORIALS ARE USUALLY WELL WRITTEN AND REFLECT THE PRESENT THINKING, AS BEST WE CAN DETERMINE, OF THE SAUDI GOVERNMENT.

2) THE PRIVATE LENGTHY MEETING BETWEEN THE AMBASSADOR, PRINCE FAHD, AND PRINCE SAUD IN WHICH THE SAME MESSAGE WAS REITERATED IN SLIGHTLY LESS FRANK TERMS THAN THE CONVERSATION WITH YAMANI (JIDDA 6295).

3) THE YAMANI CONVEESATION ABOVE RELATED WHICH MAY HAVE BEEN COINCIDENTALLY PLANNED WITH MY VISIT, OR, CONVERSELY, THE WEEK-END VISIT, MAY HAVE BEEN PLANNED TO GET THAT MESSAGE TO ME.

4) YAMANI'S SEPT. 9 INTERVIEW WITH THE JAPANESE PARLIAMENTARY DELEGATION (JIDDA 6283).

5) PRINCE ABDULLAH'S COMMENTS TO A HIGH RANKING USG OFFICIAL REPORTED IN IR 6-884-0128-77. END COMMENT.
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PAGE 03 JIDDA 06307 02 OF 02 121558Z

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Message Attributes

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Status: NATIVE
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TAGS: ENRG, PBOR, XF, SA, EG, US, UR, (YAMANI, ZAKI)
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